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UNCLAS SECTION 01 OF 03 DJIBOUTI 000545

SENSITIVE STPDTS

DEPARTMENT FOR AF/E

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TAGS: <u>EAGR ECON EAID SENV PGOV SOCI KPAO DJ</u>
SUBJECT: DJIBOUTI STARTS PLANTING FOR "GREEN REVOLUTION"

REF: DJIBOUTI 425

11. (SBU) SUMMARY: Faced with rising global food prices, a near-total dependence on imported food, and resulting high levels of malnutrition and food insecurity (reftel), the GODJ has recently encouraged creative small-scale agricultural projects as part of Djibouti's overall food security strategy. Less than one percent of Djibouti's land is arable. Nevertheless, the success of several recent projects involving greenhouse cultivation, efficient irrigation, and drought-resistant varietals suggests that with the right techniques and technologies, Djibouti could indeed produce more of its own food. While the GODJ has called on international donors, including the Food and Agriculture Organization (FAO), to help fund several of these projects, it has also significantly invested its own resources. President Guelleh has personally championed the cause of agricultural development, and has succeeded in attracting several private investors into the sector. Djibouti is never likely to be self-sufficient. However, continued domestic, international, and especially private investment in the expansion of small-scale agricultural efforts could reduce import dependence, while at the same time augmenting rural incomes and feeding urban poor. END SUMMARY.

DJIBOUTI'S AGRICULTURAL TRADITION: SHALLOW ROOTS AND SHORT SUPPLY

 $\P 2$. (U) With their long history of nomadic, pastoralist culture, Djiboutians do not have a strong agricultural tradition. According to the GODJ Director of Agriculture, before independence, nobody thought Djibouti had any agricultural potential or put much effort into developing it. After independence, some small-scale farmers began to cultivate pockets of land where water was available near the ground surface, and began to set up irrigation systems and to form small collectives. However, the civil war in the 1990s all but destroyed these modest efforts.

 $\P 3$. (U) Djibouti currently imports nearly all of its fresh produce from neighboring countries. On May 21, Djibouti's fruit-and-vegetable importers' association suspended the regular weekly train delivery from Ethiopia, partly to protest worsening quality from Ethiopian suppliers, and partly to protest the GODJ's decision to leave in place a small fruit and vegetable tax while eliminating taxes on five basic food staples (rice, powdered milk, sugar, edible oil, and wheat flour). Fruit and vegetable prices immediately increased, and availability and selection noticeably decreased. The importers' association and the GODJ negotiated a quick end to the strike, and the GODJ agreed in principle to eliminate the fruit and vegetable tax. However, the incident drew public attention to Djibouti's total dependence on imported produce. In an interview about the strike in Djibouti's state-run newspaper, the Minister of Commerce suggested that Djibouti should aim to grow 30% to 50% of its produce domestically. Currently, local production covers less than 10% of fruit and vegetable consumption.

- 14. (SBU) The Director of Agriculture dates the beginning of the GODJ's interest in growing the agricultural sector to President Guelleh's election in 1999. According to the Director, Guelleh made agriculture a top personal priority. During Guelleh's tenure, the GODJ has financed several demonstration projects, including a pilot fruit and vegetable greenhouse in the town of Arta. To build on GODJ investment, Guelleh has actively sought support from bilateral and multilateral donors. He has also prominently courted private investment in the sector, reportedly making personal appeals to several large investors.
- ${ t exttt{1}}{ t exttt{5}}.$ (U) At a recent conference on the FAO's programs in Djibouti, participants evoked the challenge of overcoming the misperception that some places -- including Djibouti -- are "impossible to cultivate." To this end, general awareness campaigns have been an important component of the FAO's recent Emergency Action Programs in Djibouti. Alongside the material support of tools and seeds, the FAO has also provided training, and has partnered with local civil society organizations to increase understanding about the benefits of agricultural production. After spending over a million dollars on a 2006-2008 program to plant small irrigated plots in rural districts, the FAO has found enough initial success to continue with an additional multi-million dollar program for 2008-2009. The FAO programs have focused mainly on growing fruits and vegetables for local consumption (40%) and forage for animals (60%) on small 1-3 hectare plots, with water supplied from rehabilitated cisterns and water retention basins. While the FAO reports that 60-70% of the targeted land areas are currently under cultivation, local FAO and Ministry of Agriculture representatives admit that

DJIBOUTI 00000545 002 OF 003

major challenges to the program remain, including providing appropriate and sufficient energy supplies to run water pumps and identifying appropriate heat- and drought-resistant varietals. Perhaps even more challenging is the need to provide constant support and training for nascent farmers, and the slow and difficult work of convincing a traditionally nomadic, pastoralist population that horticulture can contribute significantly to the diets of both people and animals.

 $\P6$. (U) To attract additional public and private investment, the GODJ acceded to the Arab Authority for Agricultural Investment and Development (AAAID) on May 22. State-run media featured prominent coverage of this accession, and according to the Director of Agriculture, the AAAID has already agreed to finance several feasibility studies in the areas of greenhouse cultivation, slaughterhouse development, and fishing.

- INMAA AGRICULTURE: RESULTS IN SIX MONTHS
- 17. (SBU) While several private investors have either already begun to invest in agricultural projects in Djibouti, or are actively looking to do so, the most visible private efforts to date are the agricultural projects of INMAA Investment, led by Dubai-based investor Ibrahim Saeed Lootah. According to Lootah, President Guelleh personally asked him to invest in the agricultural sector. INMAA's agricultural projects include poultry houses, a greenhouse and open cultivation development on the outskirts of Djibouti City in the PK20 neighborhood, and a further planned farm near the northern city of Tadjourah.
- 18. (U) After only six months in operation, INMAA's PK20 farm operations employ fifty people from the neighborhood, located in an impoverished outlying area of Djibouti City. About twenty of these workers--mostly women who are the sole providers for their families--occupy living units on the development's premises, built by INMAA and equipped with solar energy panels. In open field and greenhouse production, the farm currently produces and sells melons, tomatoes, carrots, and zucchini on the local market. Fruit trees--including oranges, lemons, dates, pomegranates, and

guavas--have been planted as well, and there is a small experimental garden for decorative plants.

- 19. (U) The Agricultural Director for INMAA's PK20 project gives free daily hands-on lessons in gardening to all-comers from the neighborhood. Twenty women have participated regularly in the lessons, and several have already been placed in gardening jobs. The Agricultural Director named water-currently derived from a well, but in short supply-as the major limiting factor for future expansion. Changing local mentalities, she said, was also a challenge. "I try to tell people not to let the goats eat the young fruit trees," she said, "since these are meant as an investment for your children!"
- 110. (SBU) Another challenge for INMAA Agriculture is finding appropriate distribution mechanisms and price points. The Agricultural Director reported that the produce is sold both to small scale (mostly female) market vendors, as well as to larger stores and supermarkets. While the small scale vendors tend to mark the price up very little, supermarket customers are reportedly doubling or even quadrupling the wholesale price, which reduces the cost advantages of "grown in Djibouti" produce for the average consumer. Reportedly, some supermarkets even label the produce as coming from "Ethiopia" in order to justify the price.

A MILLION DATE PALMS

111. (SBU) At the June 3-5 FAO Food Security conference in Rome, President Guelleh announced that Djibouti intended to plant "one million date palms." In a June 5 meeting, the head of the research unit responsible for Djibouti's current date palm development project told EconOff that this goal was a "long-term" one, and pointed out that the President's Rome announcement came without details on timing or financing. Djibouti's interest in dates began with a 2005 Saudi Arabian donation of 20,000 in-vitro date palms, which were planted in small plots throughout Djibouti's regions. These plots will be gradually ceded to the population. The Director of the Life Sciences Institute at Djibouti's Center for Research and Study (CERD) praised President Guelleh for his steadfast support for CERD in general and the date palm project in particular. He said that the GODJ has invested 100 million DJF (USD 565,000) in date palm development and research projects. According to the Director, the President's goal is for CERD to become a center of excellence for date palm research, eventually even selling plants and expertise to other countries. CERD is currently working on experiments to develop the most drought resistant date palm varieties, to test for

DJIBOUTI 00000545 003 OF 003

hardiness in salty soils and water, to measure exactly the amount of water date palms need, and to identify complementary crops that could be grown in the shade of date palms.

112. (SBU) While aiming for lofty goals, the Director also acknowledged the project's modest beginnings, and described his constant struggle for adequate resources. Both physical resources (such as water and energy) and human resources are sometimes in short supply. The Director said that while he currently employs six skilled technicians, he is continually fighting to increase professionalism, and to retain talented staff. He reported that he had convinced the GODJ to offer scientists better financial and non-financial incentives (i.e. substantive research programs) so that they stay in-country.

U.S. SOWS A FEW SEEDS, TOO

113. (U) CERD's Life Sciences Director was eager to tap into U.S. expertise in pertinent areas, such as Californian date industry experience, or Southwestern research on agriculture in arid environments. CERD is already slated to receive some Chinese assistance in expanding its facilities, and the Director emphasized that any level of U.S. involvement would also be welcome. "Djibouti can be a crossroads to bring together the Middle East and the West

over science," he said.

114. (U) Several past and current Ambassador's Special Self Help Fund projects have aided small scale agricultural efforts in Djibouti. Past projects include assistance to market gardening collectives, and a grant to a bee-keeping venture that has succeeded, expanded, and is currently passing on its expertise to other interested groups.

CALLING FOR A GREEN REVOLUTION

- 115. (U) Djibouti's state-run newspaper has recently featured prominent coverage of growth in the agricultural sector, including an editorial calling for a Djiboutian "Green Revolution." While experts realize that there are constraints to Djibouti's natural agricultural potential, general optimism about Djibouti's agricultural future is high, with the GODJ Director of Agriculture predicting that Djibouti could be self-sufficient in fruits and vegetables in three years. "It's a question of will and means," said the Director, "and while mindsets are slow to change, there is solid political support from the President."
- 116. (SBU) COMMENT: Continued private investment and international support will be needed to keep Djibouti's agricultural sector growing. While Djiboutians have always raised livestock, horticulture is a new idea for ordinary citizens. Djibouti may never be self-sufficient, but increased support for agricultural projects could help to reduce import dependence, begin stemming Djibouti's rural-to-urban exodus, and decrease the cost of nutritious food for Djibouti's urban poor. While a million date palms may take a while to bear fruit, Djibouti has already started planting. END COMMENT.

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